

MIDSTATE **COMMUNICATIONS**

120 EAST FIRST • P.O. BOX 48 • KIMBALL, SD 57355-0048
PHONE (605) 778-6221 • FAX (605) 778-8080

May 18, 2005

SD Public Utilities Commission
500 East Capitol
Pierre, SD 57501

RECEIVED
MAY 19 2005
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Members of the SD PUC,

Enclosed are the guidelines adopted by Midstate Communications for the Lifeline/Linkup Program. Also enclosed are the forms that we use and a copy of the brochures and newspaper ads and our Company newsletter.

We do quarterly advertisements of the program in the local papers and our newsletter. We distribute the brochures to several outreach locations in our communities. We also have them available at our open houses in our exchanges and at our offices.

Currently, we are in the middle of the initial verification process. We have sent letters to 20% of the customers on the program and are contacting those that have not responded to the letter.

If you have any questions or need additional information, please call me at 605-778-6221. Thank you.

Sincerely,
MIDSTATE COMMUNICATIONS, INC.



Peggy Reinesch, Office Manager

Enclosures

Midstate Communications, Inc.
Lifeline & Linkup Program Guidelines
Adopted April 2005

Customers may qualify by participating in one of the following programs:

- . Medicaid
- . Food Stamps
- . Supplemental Security Income (SSI)
- . Federal Public Housing Assistance
- . Low Income Home Energy Assistance
- . Bureau of Indian Affairs (BIA) General Assistance Program
- . Tribally administered Temporary Assistance for Needy Families Program
- . Head Start (meeting income qualifying standards)
- . Household income is at or below 135% of Federal Poverty Guidelines (Gross income before taxes)

RECEIVED
MAY 19 2005
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Customers must fill out an application (attachment A) and provide proof of participation in one of the above programs or proof of their household income. Midstate employee will examine their proof and sign the application and date it next to the program that the customer has checked.

If the customer qualifies based on household income, they must provide proof of all "household" income and sign a self certification of eligibility (attachment B). If they are using a monthly statement of income, they must provide 3 months worth of the proof. We need to explain in detail that they have to be including all household income and explain what the self certification means. We need to be aware that an Income tax return will not necessarily reflect all income to a household as SS, work comp, etc are not shown on the income tax form so the customer may have to present more than one kind of proof for the income eligibility requirement

Acceptable forms of proof of income are:

- . State or Federal income tax return
- . Current Income statement from employer (pay stub)
- . SS statement of benefits
- . VA Benefits
- . Work Comp benefits statement
- . Tribal letter of general assistance
- . Divorce decree
- . Child support or other documentation

We must maintain the application and self certification for as long as they are on the program. We don't need to keep their proof – just examine it and sign and date on the application next to the program they have checked. If we have a paper copy of their proof, it needs to be shredded.

If we believe a subscriber no longer qualifies for the program, we must send them a letter (attachment C) notifying them of their pending removal from the program unless the subscriber demonstrates their continued eligibility. Proof of eligibility will be in the same form as for a new subscriber to the program's set forth in these rules and guidelines. We must allow the customer 60 days from the date of the letter for them to provide this before removing them from the program.

The customer will not be charged a deposit if they subscribe to toll limitation or toll blocking.

Each year we must do a random sampling of participating customers to verify continued eligibility (attachment D). We will do 20% of the subscribers participating in the program per year. These are marked with a free flow comment that they have been audited. When Teresa runs the report each year, those that have been audited will be removed until all have gone through the audit procedure and we have received their proof of eligibility. This letter was sent to 20% of the people currently participating in the program in April 2005. Those that do not respond to this letter will be contacted a second time before removing them from the program.

Each year we must send in a carrier certification (attachment E) to USAC signed by an officer of the Company that we have established procedures to review income verification of subscribers that are applying for Lifeline and/or Linkup assistance and that the procedures are being followed.

We must send in a carrier certification to USAC (attachment F) that the audit procedure is in place and is being followed.

To get the latest information on the Federal Poverty Guidelines for Income Level (attachment B) – Go to [Universalservice.org/low income/](http://Universalservice.org/low%20income/) at the right side, click on 135% of poverty level. We need to print out a new one each year. This is done for 2005 and has been made part of the customer self certification form.

If a subscriber is disconnected and then reconnected (i.e. for non-pay) within 1 year and has already gone through the audit procedure or provided us with their proof of eligibility, we will not require re-verification upon their reconnect.. Those that have not gone through the audit procedure will need to fill out a new application and submit their proof of eligibility.

Currently we do the following to advertise the program: (attachments G)

- . Advertise in local papers – at least quarterly
- . Advertise in newsletters – at least quarterly
- . Hang poster and have brochures available at both of our office and various locations frequented by Midstate Communication's subscribers
- . Open houses
- . Website

NOTICE TO ALL MIDSTATE COMMUNICATIONS, INC. CUSTOMERS

Recent changes brought about by the Federal Telecommunications Act of 1996 have resulted in the introduction as of January 1, 1998, of new low-income assistance programs in South Dakota. Effective January 1st, low-income subscribers may qualify to receive reduced monthly and installation charges for basic telephone service. Details regarding the Lifeline and Link-Up programs are included on the reverse side of this notice.

If you, as a subscriber, qualify, you may complete the enclosed application form and return it along with the appropriate documentation to our office at: Midstate Communications, Inc., 120 E First St., PO Box 48, Kimball, SD 57355-0048

It is required in signing and submitting the application that you certify under penalty of perjury that you, in fact, qualify for Lifeline and Link-Up benefits, and if, at any time, you become ineligible, you will notify Midstate Communications Inc.

Please read the enclosed materials carefully. If you have any questions regarding these programs, call Midstate Communications, Inc. at (605)778-6221 or 1-888-214-1431.

LOW-INCOME ASSISTANCE AVAILABLE

Midstate Communications, Inc. is authorized to provide two federal telephone assistance programs that were developed in response to concerns about the affordability of telephone service for low-income citizens.

The Lifeline program provides reduced monthly charges to telephone subscribers who qualify. The Link-Up program provides reduced connection charges to telephone subscribers who qualify.

WHO IS ELIGIBLE?

Telephone service must be in the applicant's name. The applicant must participate in at least one of the following public assistance programs to be eligible:

- Low Income Individuals Living on Tribal Land
- Medicaid
- Federal Housing Assistance
- Supplemental Security Income (SSI)
- Food Stamps
- Low Income Home Energy Assistance
- Temporary Aid to Needy Families (TANF)
- National School Lunch Program's Free lunch program
- Individual's whose household income is at or below 135% of the Federal Poverty Guidelines

WHAT DO THE PROGRAMS PROVIDE?

Lifeline provides eligible subscribers with a credit of \$8.25 each month on the basic service portion of their telephone bill. If you participate in any of the above programs and reside on tribal reservation lands you may be eligible for an additional discount. The credit applies on the main home telephone line listed in the name of the eligible telephone company subscriber. Lifeline subscribers may also receive blocking of long distance calls on their telephone line at no charge.

Link-Up provides eligible subscribers with reduced connection charges for their basic home telephone service. This reduction is 50 percent of the applicable charges or \$30.00, whichever is less. Link-Up also provides for deferred payment of connection charges without interest. It does not cover the cost of wiring inside your home and is limited to one time per home address per subscriber.

HOW DO I APPLY?

If you meet the eligibility requirements, completely fill out and sign the enclosed application form and mail it along with the appropriate documentation to: MIDSTATE COMMUNICATIONS INC., PO Box 48, Kimball SD 57355-0048.

COULD I BECOME INELIGIBLE?

When you no longer participate in any of the qualifying public assistance programs, you are no longer eligible for Lifeline or Link-Up. You are obligated by law to notify Midstate Communications, Inc. and advise the company that you are no longer eligible for Lifeline and Link-Up. Periodic audits may be performed to verify ongoing eligibility.

FOR MORE INFORMATION

If you have questions about **Lifeline or Link-Up**, the application form or your telephone service, contact Midstate Communications, Inc. at (605)778-6221 or 1-888-214-1431 for more information.

Lifeline and Link-Up Assistance Application
(Please Print)

Name _____
(Last) (First) (Middle)

Address _____
(Street) (City) (State) (Zip)

Telephone Number (If active service): (____) _____ Social Security #: _____

Number where you can be reached or receive messages: (____) _____ - _____ (area code & 7-digit number)

Please answer the following questions (check appropriate lines):

- 1. I am applying for: _____ **Lifeline** monthly telephone service discount
- _____ **Link-Up** telephone connection charge discount

Note: Telephone Service **MUST** be in applicant's name.

I am an individual living on "Tribal Land." (name of tribal land) _____
"An eligible resident of Tribal lands" for purposes of the Lifeline and Link-Up Assistance Programs is a qualifying low-income consumer living on or near a reservation. A "reservation" is defined as any federally recognized Indian Tribe's reservation, pueblo, or colony, and Indian Allotments. "Near reservation" is defined as those areas or communities adjacent or contiguous to reservations which have been designated by the Federal Commission of Indian Affairs (within the Department of the Interior) as locales that are appropriate for the extension of financial assistance and/or social services.

I am currently receiving assistance benefits from at least one of the following programs(s): (documentation req.)
Check all that apply

	Examined by (Midstate Employee)	Date
_____ Medicaid (e.g. Title XIX/Medical, State Supplemental Assistance)	_____	_____
_____ Food Stamps	_____	_____
_____ Supplemental Security Income (SSI)	_____	_____
_____ Federal Public Housing Assistance	_____	_____
_____ Low-Income Home Energy Assistance	_____	_____
_____ Bureau Of Indian Affairs (BIA) general assistance program	_____	_____
_____ Tribally administered Temporary Assistance for Needy Families	_____	_____
_____ Head Start (meeting income qualifying standards)	_____	_____
_____ National School Lunch Program's free lunch program	_____	_____

- 4. OR,
_____ My household income is at or below 135 percent of the Federal Poverty Guidelines. (documentation req.)

I agree to notify Midstate Communications, Inc. when I no longer participate in any of the above qualifying public assistance programs.

I certify under penalty of perjury the above information is true. I have read the information on this application and understand I must meet the above qualifications to receive Lifeline and/or Link-Up assistance on my primary residential line.

Your Signature Social Security Number Date

In Lieu of paying a deposit for telephone service, I elect to restrict my service to local service only or restricted long distance toll. I hereby release Midstate Communications, Inc. from all claims and liability including personal injury, caused by my election to receive local service only or restricted toll.

Your Signature Date

**Estimated Income Requirements for a Household at or
Below 135% of the Federal Poverty Guidelines**

Persons in Family Unit	48 contiguous States and D.C.	Alaska	Hawaii
1	\$12,920	\$16,133	\$14,864
2	17,321	21,641	19,926
3	21,722	27,149	24,989
4	26,123	32,657	30,051
5	30,524	38,165	35,114
6	34,925	43,673	40,176
7	39,326	49,181	45,239
8	43,727	54,689	50,301
For each additional person, add	4,401	5,508	5,063

**SELF-CERTIFICATION FOR LIFELINE/LINK UP APPLICANTS
QUALIFYING UNDER INCOME-BASED CRITERION**

I, _____, certify under penalty of perjury that I qualify for Lifeline/Link Up assistance based on my household income that is at or below 135 percent of the Federal Poverty Guidelines. I further certify under penalty of perjury that there are _____ members in my household and that the supporting income documentation presented to my telecommunications provider accurately represents the annual income of all members of my household.

Signature: _____

Date: _____

April 20, 2005

Dear Customer:

You currently participate in Midstate Communications' Lifeline assistance program. Federal Communications Commission guidelines require telephone companies like ours to verify customers' continued eligibility. If you are still eligible for Lifeline assistance, please complete the enclosed application and provide supporting documentation (such as a copy of your Medicaid card) to us by **DATE**.

Lifeline assistance is available to participants in one or more of the following programs: Medicaid; Food Stamps; Supplemental Security Income (SSI); Federal Public Housing Assistance; Low Income Housing Energy Assistance; Temporary Aid to Needy Families (TANF); or the National School Lunch (NSL) free lunch program. Individuals whose household income is at or below 135 percent of the Federal Poverty Guidelines are also eligible for Lifeline assistance.

Documentation of income eligibility includes the previous year's state or federal tax return, a current income statement from an employer or paycheck stub, a Social Security statement of benefits, or other such official documents. If your documentation does not cover an entire year, please provide three consecutive month's worth of the same type of document. Please note that income is **all** income actually received by **all** members of the household. Income includes salary before deductions for taxes, public assistance benefits, Social Security payments, pensions, unemployment compensation, veteran's benefits, inheritances, alimony, child support payments, worker's compensation benefits, gifts and lottery winnings. The only exceptions are student financial aid, military housing and cost-of-living allowances and irregular income from occasional small jobs such as baby-sitting or lawn mowing.

If you qualify based on household income or by participating in one of the programs listed above, please drop the application and appropriate documentation off at either our Kimball office or Chamberlain office or you may mail them back to us in the enclosed return envelope. If we do not receive your recertification paperwork back by **Date** (60 days from date of letter) you may be removed from the Lifeline/Link Up program.

Please feel free to call us at 778-6221 or 234-8000 with any questions you may have regarding the application or the Lifeline program.

Sincerely,

Midstate Communications

Peggy Reinesch
Office Manager

Enclosures

April 20, 2005

Dear Customer:

You currently participate in Midstate Communications' Lifeline assistance program. Federal Communications Commission guidelines require telephone companies like ours to annually verify a sample of Lifeline customers' continued eligibility. If you are still eligible for Lifeline assistance, please complete the enclosed application and provide supporting documentation (such as a copy of your Medicaid card) to us by **May 6th 2005**.

Lifeline assistance is available to participants in one or more of the following programs: Medicaid; Food Stamps; Supplemental Security Income (SSI); Federal Public Housing Assistance; Low Income Housing Energy Assistance; Temporary Aid to Needy Families (TANF); or the National School Lunch (NSL) free lunch program. Individuals whose household income is at or below 135 percent of the Federal Poverty Guidelines are also eligible for Lifeline assistance.

Documentation of income eligibility includes the previous year's state or federal tax return, a current income statement from an employer or paycheck stub, a Social Security statement of benefits, or other such official documents. If your documentation does not cover an entire year, please provide three consecutive month's worth of the same type of document. Please note that income is **all** income actually received by **all** members of the household. Income includes salary before deductions for taxes, public assistance benefits, Social Security payments, pensions, unemployment compensation, veteran's benefits, inheritances, alimony, child support payments, worker's compensation benefits, gifts and lottery winnings. The only exceptions are student financial aid, military housing and cost-of-living allowances and irregular income from occasional small jobs such as baby-sitting or lawn mowing.

If you qualify based on household income or by participating in one of the programs listed above, please drop the application and appropriate documentation off at either our Kimball office or Chamberlain office or you may mail them back to us in the enclosed return envelope. If we do not receive your recertification paperwork back by **May 6th 2005** you may be removed from the Lifeline/Link Up program.

Please feel free to call us at 778-6221 or 234-8000 with any questions you may have regarding the application or the Lifeline program.

Sincerely,

Midstate Communications

Peggy Reinesch
Office Manager

Enclosures

May 16, 2005

CARRIER CERTIFICATION REGARDING INCOME DOCUMENTATION

I, _____, an officer of Midstate Communications, hereby certify under penalty of perjury that Midstate Communications has established procedures to review income documentation of subscribers that are applying for Lifeline and/or Link-Up assistance, and further certify, to the best of my knowledge, information and belief, that through these procedures the carrier has been presented with documentation of household income from those subscribers who have qualified for Lifeline and/or Link-up based on the income-based criterion (that their household income be at or below 135 percent of the Federal Poverty Guidelines).

Signature: _____

Date: _____

May 16, 2005

CARRIER CERTIFICATION REGARDING VERIFICATION PROCEDURES

I, _____, an officer of Midstate Communications, hereby certify under penalty of perjury that Midstate Communications has established income verification procedures, and further certify, to the best of my knowledge, information and belief, that through these procedures the carrier has in reviewing the continued eligibility of a statistically valid sample of its Lifeline subscribers been presented with documentation of household income from those subscribers who have qualified for Lifeline and/or Link-up based on the income-based criterion (that their household income be at or below 135 percent of the Federal Poverty Guidelines).

Signature: _____

Date: _____

Eligibility

Participants must live on tribal lands and participate in at least one of the following public assistance programs to qualify:

- Food Stamps
- Medicaid
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance
- Low Income Home Energy Assistance Program
- BIA General Assistance Programs
- Tribally Administered Temporary Assistance for Needy Families
- Head Start (Meeting Income Test)
- National School Lunch Program

Participating members and members of the qualified members household (MUST):
1. Be in good standing as a member of the Midstate Communications Cooperative.
2. Be current in all payments to Midstate Communications.
3. Payments will be approved on an individual basis upon receipt of properly filed forms.

Indian Land for purposes of the Enhanced Lifeline and Up Assistance Programs includes the BIA definitions of reservation. The term "reservation" means any federally organized Indian tribe reservation, tribal or colony and an allotment.

Your Best Connection

- * Tribal Lifeline
- * Tribal Link-Up

Local Phone Service

for as low as

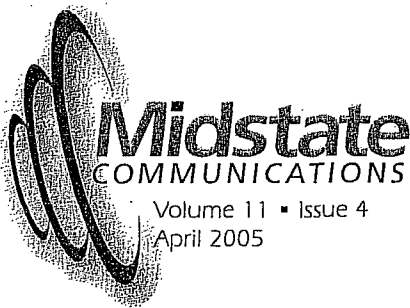
\$1.00 per month

MIDSTATE COMMUNICATIONS

PO Box 48
Kimball, SD 57355

MIDSTATE COMMUNICATIONS

PO Box 48 • Kimball, SD • 605-778-6221



Midstate
COMMUNICATIONS

Volume 11 • Issue 4
April 2005

MESSENGER

120 E. First, P.O. Box 48, Kimball, SD 57355 • (605) 778-6221 • Fax: (605) 778-8080

National DO-NOT-CALL Registry Accepts Both Cell Phone and Home Phone Numbers...

The Federal Trade Commission would like to remind consumers that the National Do-Not-Call Registry has accepted personal cell phone and home phone number registrations. There is no deadline to register a home or cell phone number on the Registry.

To register a telephone number on the National Do-Not-Call Registry or to file a complaint, consumers should visit www.donotcall.gov or call 1-888-382-1222 (TTY: 1-866-290-4236). Consumers registering a phone number online will be asked to provide a valid e-mail address to which a confirmation of the registration will be sent. A registration is not complete until the consumer clicks on the link in this e-mail. Consumers registering by phone must call from the phone number they wish to register.

Federal Universal Service Fees Notice

Effective April 1, 2005, the Federal Universal Service Charge contribution factor will increase from 10.7% to 11.1%. This factor changes from time to time based on the needs of the Federal Universal Service Fund. This fund is maintained to ensure that all consumers have access to telecommunications services at reasonable prices. The fund also assists schools, libraries, low-income and rural health care consumers in obtaining telecommunications services. Contributions to the fund are determined by applying the factor to services designated as interstate by the FCC.

Important Dates to Remember...

- **Last Business Day of Each Month**
Bills mailed out from Midstate office.
- **5th of Each Month**
Disconnect of all accounts with a 30-day balance.
- **20th of Each Month**
Bills available at the Midstate office by 12:00pm.
- **20th of Each Month**
Overdue notices mailed out and late fees will be applied to all delinquent accounts.

All Midstate bills are due upon receipt. Any bills that have not been received by the 5th of the following month will be disconnected. To be reconnected the bill must be paid in full and will be subject to a delinquent payment and appropriate reconnection fee.

Make Paying Bills Easier...Go Paper-less!

When it comes to paying the monthly bills, it is not something we usually look forward to at the end of each month. At Midstate we want to make the process as simple and painless as possible.

As always you can pay your Midstate bill by cash, check or credit card. There are, however, a couple of automatic payment plans available to help save you time, paper and postage along with never getting a late fee again. One of those paper-less options is Auto Bank Deduct. It is simple to get signed up for by contacting Midstate to fill out an authorization form for the automatic payment. Each month you will receive a bill just as before. This bill is for informational purposes only. It will have a printed message that states: "Bank Deduct – Do Not Pay."

Midstate has also implemented a service called E-Statement. With E-Statement you can go on-line to view the same information that appears on your printed bill. Users can see a log of long distance calls generated each month. A simple click of the mouse on an unfamiliar phone number will allow you to see the name and address of most parties called. E-Statement users can choose to pay their bill by check or Auto-Bank Deduct. Members still have the option to request a paper copy of their bill, although if you do choose not to receive a paper copy of your bill and sign up for Auto-Bank Deduct you will automatically save \$1.50 on your bill each month.

Have you forgotten to pay your bill? Don't panic. Midstate recently implemented a Call Notification service to help remind customers to pay their bill before they are disconnected. Customers with a past due balance will receive a prerecorded message to remind them their bill is due.

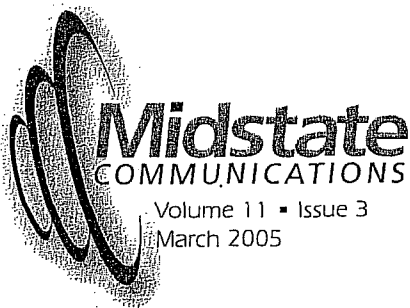
Let's face it, paying bills will never be much fun, but Midstate can help make it much faster and easier by providing you with some options. Call us today at either 778-6221 or 234-8000 and speak with one of our friendly and professional Customer Service Representatives to get more information and to sign up!

Securing Your New Computer

Don't waste any time after you get your new computer and get connected to the Internet before downloading the latest updates for the operating system you are using and for your anti-virus program. You can find operating system updates depending what type of computer you have at either; <http://www.apple.com/support/downloads> or <http://windowsupdate.microsoft.com>. Microsoft Windows XP will offer some options for downloading and installing critical updates on an ongoing basis. Choose the one that is appropriate for your connection type. If you're "always on" with Quick Connect high-speed connection, you may want to let them download automatically and remind you to install the updates; otherwise, you should choose to have it remind you when updates are available.

If you already have an anti-virus program that you're used to and trust, get that installed and updated as quickly as possible. Remember, you aren't stuck with the demo that came with the computer. Seriously consider installing a firewall product, such as *ZoneAlarm* or *Sygate Personal Firewall for Windows*; or *BrickHouse* or *Impasse* for OS X. Most of the new antivirus programs have firewall options available also, which may be adequate. The Windows XP firewall only protects from inbound attacks, leaving outbound Trojan and spyware activity unguarded. Another necessity is spyware detection and removal software, such as *Ad-Aware*, *Spybot*, and/or Microsoft's promising new *AntiSpyware*, currently in the beta testing stage.

By this time, your computer should be secured with the latest updates and protective software. It is important to keep your anti-virus software up to date and as always use caution when opening emails, especially emails from people you do not know to avoid potential viruses.



MESSENGER

Volume 11 • Issue 3
March 2005

120 E. First, P.O. Box 48, Kimball, SD 57355 • (605) 778-6221 • Fax: (605) 778-8080

Telecommunications Scholarships Available...

The South Dakota Association of Telephone Cooperatives (SDATC) has announced that it will award three \$1,000 SDATC Memorial Scholarships for the 2005 school year.

The SDATC Memorial Scholarship program, which was established to help assure the availability of trained telecom professionals in rural South Dakota, began with a single \$300 scholarship in 1987. Since that time, SDATC has awarded over \$26,000 and has helped 51 students from cooperative service areas receive technical telecommunications training.

To be eligible for the scholarship, the student or student's family must be a member of a South Dakota telephone cooperative and have completed the first year of a two-year program in a telecommunications technologies field at any South Dakota technical institute. The deadline to apply for the scholarship is May 15th.

Interested students or their parents should contact their local telephone cooperative for a scholarship or they can print an application off the Internet at www.sdatconline.com.

St. Patrick's Day

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Clear Connections...Branding Effort Unifies Industry Message

South Dakota's telecommunication companies have a strong working relationship, but customers rarely get a glimpse of how that benefits them.

A re-tooled Clear Connections campaign hopes to change that. Four-years ago, the industry put together a television campaign that ran on Sunday nights after the late news. While it brought some recognition to the coalition of telecommunication companies, it ran its course and needed expansion to touch others.

The new Clear Connections campaign sports a new logo and a unified advertising campaign that can be used by all South Dakota Telecommunication Association members who participate. It will include:

- Billboards for the first six months of 2005 near Rapid City, Mitchell, Aberdeen, Watertown, Pierre, Yankton/Vermillion and Sioux Falls.
- Newspaper inserts in the state's largest dailies
- Newspaper ads in the same dailies
- Local newspaper ads placed by the member companies
- Direct mail to lawmakers
- SDTA Legislative Director, Greg Dean, will steer the campaign with the help of a committee of marketing directors.



"The effort to get all these companies together on a single industry message is a testament to the cooperative nature of SDTA's members," Dean says. "The effort will pay off in speaking in a single voice not only to legislators and regulators, but hopefully also to customers. They'll recognize that their company is part of something much bigger than just the local economy."

The Clear Connections logo will always follow that of the member companys' so the local branding is never lost. "Think of the Clear Connections logo as sort of the Good Housekeeping seal of approval for our industry," Dean says.

Attention High School Seniors: Midstate Scholarship Program

Midstate Communications will once again be awarding ten (10) \$500 scholarships to graduating seniors within our telephone exchange service areas. One scholarship will be awarded in each of the following five areas:

- I. Academic Plan/Goal
- II. Agriculture
- III. Community Involvement
- IV. Rural Cooperatives
- V. Data/Communications & Business

Eligibility for receiving a scholarship include: the student must be a graduating high school senior in the year the scholarship is presented. The student and the student's parent or legal guardian must reside in and be an active member and telephone subscriber within a Midstate Communications Cooperative telephone exchange.

Applications may be downloaded from Midstate's web page at www.midstatesd.net or through your local high school counselors or by contacting the Midstate office. Applications are due in our office by April 1, 2005. Over the last six-years Midstate Communications has awarded \$30,000 in scholarships to students within our service areas to promote education, community service and rural cooperatives.



Are Capital Credits Taxable?

This is a question we get every year about this time when people start working on the overwhelming task of preparing to file their taxes. The question is simple but the answer is not always as easy to come by. As far as capital credits themselves go they are not; however, if you've received a refund check, the refund itself may be taxable.

For those of you who used the telephone strictly for non-business purposes, the capital credit refund will in no way enter into your federal income tax calculation. In this case, the refund merely reduced the cost of the service purchased for personal use. The refund is not taxable income.

If you choose to deduct all or a portion of your telephone bill as a business expense, receiving a capital credit refund check will affect your Federal tax liability. In this case, the check received will have to be reported as income in the year it was received, but only in the same proportion that payments for service had previously been deducted as a business expense.

If you have any questions regarding your capital credits refund we would recommend that you contact your tax professional.



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Changes to Lifeline and Link-Up Programs

The Federal Communications Commission (FCC) released a "Report and Order and Further Notice of Proposed Rulemaking" implementing changes to its current "Lifeline and Link-Up" rules. The effect of these rule changes is to expand the eligibility requirements for Lifeline and Link-Up to include an income based criterion, to impose certain new certification and verification requirements on both telecommunications carriers and subscribers, and to establish specific record keeping requirements for carriers that offer Lifeline and Link-Up services.

To qualify for Lifeline and Link-Up programs under the new income criteria a consumer will now be eligible to participate if their income is at or below 135% of the Federal Poverty Guidelines. This enables, for example, a family of four whose annual income is at or below \$25,448 to qualify for Lifeline and Link-Up support even if they do not participate in any of the qualifying government assistance programs.

The other major change in the Lifeline and Link-Up programs is the certification and verification processes by both the carrier and the consumer. Individuals who now sign up or who are currently enrolled in Lifeline and Link-Up will now need to verify that they still meet the criteria set forth to be eligible for the program. Consumers will need to provide appropriate documentation when they sign up for either program to show that they meet the set criteria. Midstate will also be required to do periodic random samplings of customers on Lifeline and Link-Up to ensure that they are still within the qualifying guidelines for the programs.

These new rules must be implemented by carriers no later than July 22, 2005. In the near future we will be providing additional information along with additional program eligibility criteria to all of our customers who are currently enrolled in the Lifeline and Link-Up programs.

If you have any questions regarding the new rules and regulations regarding Lifeline and Link-Up please feel free to call our offices at 778-6221 or 234-8000.

Our offices in Kimball and Chamberlain will be closed on Monday, February 21, 2005 in observance of the President's Day Holiday.

Lifeline/Linkup Eligibility Guidelines

The Federal Communications Commission (FCC) has expanded the eligibility requirements for the Lifeline and Link-up programs to include an income based criterion for the programs. Midstate Communications proudly participates in providing both the Lifeline and Link-Up programs to our customers who qualify under the following terms.

Lifeline assistance lowers the cost of basic monthly local telephone service. Eligible consumers can receive up to \$8.25 per month in discounts.

Eligible residents of Indian reservations or tribal lands can receive up to an additional \$25 in Lifeline support, but must pay at least \$1.00 for basic monthly service.

Link Up reduces the cost of initiating new telephone service. Eligible consumers can receive a 50% discount off of the one-time costs associated with initiating telephone service, up to a maximum of \$30. Eligible consumers also qualify for a deferred payment schedule for remaining costs of up to \$200.

Eligible low-income consumers living on tribal lands are eligible for an additional discount of up to \$70 to cover 100% of the charges between \$60 and \$130.

To be eligible for Lifeline and Link Up support you must participate in one of the following programs:

- * Low-Income Home Energy Assistance Program (LIHEAP)
- * Federal Public Housing Assistance or Section 8
- * Medicaid
- * Food Stamps
- * Supplemental Security Income (SSI)
- * Temporary Assistance for Needy Families (TANF)
- * National School Lunch free lunch program

In addition, a consumer may be eligible if his or her household income is at or below 135% of the federal poverty guidelines:

2004 Income Requirements

Family Size	Income
1	\$12,569
2	\$16,862
3	\$21,155
4	\$25,448

* For each additional person add \$4,293

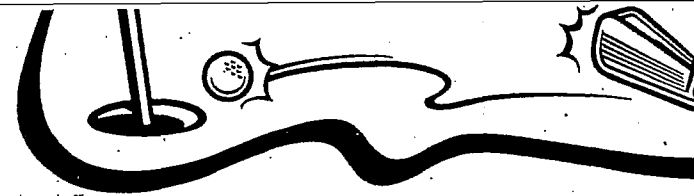
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ARMOUR

- Thurs., April 7: Track meet, Freeman-Marion Invite, Freeman.
- Fri., April 8: Kindergarden Round-Up.
- Mon., April 11: School board meeting.
- Tues., April 12: Track meet, Wagner Invitational.

DELMONT

- Wed., April 6: Com Club, Delmont Steakl noon; Large Group Musi test, Vermillion.
- Thurs., April 7: Track Freeman-Marion Invite, man; golf meet, Wild (Mitchell; Scotland Jr. Hig meet.
- Sun., April 10: Americ gion pancake feed, 10:30 p.m.
- Mon., April 11: Schoo meeting, 7:30 p.m.
- Tues., April 12: Track Centerville; golf meet Homme/Springfield.

*Delmont Record
Tuesday, April 5, 2005*

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W/HASH BROWN
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TOAST

PHONE 942-715

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AURORA COUNTY STANDARD
APRIL 6, 2005



**Church
Services**

VENTH-DAY ADVENTIST
 Pastor Stewart Lozensky
 Phone 267-2244
 245 449th St., Volin, SD
 rday:
 a.m. Sabbath School
 a.m. Worship

**GEDDES UNITED
 METHODIST CHURCH**
 Pastor Susie O'Connell
 rdays:
 p.m. Worship
 days:
 a.m. Worship

MARY BAPTIST CHURCH
 Pastor Rick Slattery
 ay:
 10 a.m. Sunday School
 30 a.m. Worship
 m. Evening Service
 nesday:
 m. AWANA

**AURORA CENTER
 REFORMED CHURCH**
 Rev. Arlan VandeZande
 ay:
 a.m. Worship
 15 a.m. Sunday School
 0 p.m. Worship

ADEMY U.C.C. CHURCH
 Pastor Charles Aurand
 ay
 m. Worship Service
 5 a.m. Sunday School

NG WORD FELLOWSHIP
 21 W. Second Street
 y:
 a.m. Sunday School
 0 a.m. Worship
 n. Evening Worship
 esday:
 p.m. Prayer Meeting, Red

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